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State Dept. Opposed U.S. Efforts To Cut Soviet Presence, Aides Say

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Special to The New York Times

WASHINGTON, Oct. 6 — Secretary of State George P. Shultz initially opposed the expulsion of 25 Soviet diplomats at the United Nations whom the United States identified as intelligence operatives, according to Administration officials.

The officials also said Mr. Shultz eventually persuaded President Reagan to delay the move after it emerged as a stumbling block in negotiations over Nicholas S. Daniloff, an American journalist who was being held in Moscow.

The 26 diplomats, identified by Federal agents as the Soviet Union's most important intelligence operatives in New York, and were ordered on Sept. 17 to leave the United States by Oct. 1.

But officials said that at the urging of Mr. Shultz, President Reagan subsequently agreed to let 11 of the intelligence officers remain in this country for two additional weeks as a "grace period."

American officials insist that the remaining diplomats must leave by Oct. 15 although they said the Soviet side has the right to raise the issue at this weekend's meeting in Iceland between President Reagan and Mikhail S. Gorbachev, the Soviet leader.

"State was not pleased with the decision, and they tried to walk it back," said one Administration official of the expulsion order. "This included private meetings between the President and Shultz in which he argued the illegality of it."

Mr. Shultz's actions have stirred a sharp response from some Administration officials who believe that the Oct. 1 deadline should have been met. They cite the decision on the Soviet diplomats as the latest example of a pattern in recent years in which the State Department has resisted proposals intended to curtail Soviet espionage in this country.

Little Was Lost, Shultz Says

Mr. Shultz and other State Department officials have said repeatedly that they have won major foreign policy objectives while giving a small number of Soviet diplomats nothing more than two additional weeks in the United States.

"The 25 names that we've given them are there. And as far as we're concerned, there's been no change except for the fact that in response to their request, the President granted an extension of time of 14 days beyond October 1, which is a date they will have to meet," Mr. Shultz said Sunday on the ABC News program "This Week."

A State Department official said that Eduard A. Shevardnadze, the Soviet Foreign Minister, had hinted to Mr. Shultz that some of the diplomats on the list were legitimate United Nations diplomats. "The Secretary told him we could discuss that if he wanted to provide details," the official said. "He has not done so."

Administration officials said that among the Soviet diplomats on the list of 25 still in the United States are the New York City heads of the K.G.B. and the G.R.U., or military intelligence. Also remaining, they said, were several diplomats described as the heads of the K.G.B.'s various sections or "lines" in New York.

State Department officials say they are improving security at their embassies and are imposing a host of new travel requirements and restrictions on Soviet and Eastern bloc diplomats.

But lawmakers note that the State Department's Office of Foreign Missions, which monitors foreign diplomats, was set up at the insistence of Congress.

And the two Senate sponsors of a law intended to reduce the number of Soviet diplomats at consulates and the embassy in Washington contend the State Department has violated the spirit of the statute.

The Senators, William S. Cohen, Republican of Maine, and Patrick J. Leahy, Democrat of Vermont, said they plan new legislation next year that would ease the burden on the Federal Bureau of Investigation by forcing a cut in the number of Soviet diplomats. The F.B.I. estimates that 300 to 400 of the nearly 1,000 Soviet officials presently in this country are intelligence operatives.

Emphasis on Counterespionage

Under the Reagan Administration, the United States has emphasized counterintelligence activities, doubling the number of agents assigned to counterespionage and giving the F.B.I. a broad mandate to become more assertive.

But the events touched off by the arrest last month of Gennadi F. Zakharov, a Soviet physicist at the United Nations, illustrate how counterintelligence concerns may sometimes interfere with foreign policy.

Mr. Zakharov, a United Nations employee without diplomatic immunity, was charged with espionage. The decision to arrest him was approved by senior Administration officials in the State Department and White House after considering its effect on relations with the Soviet Union.

But the officials underestimated Moscow's response and did not anticipate that Soviet authorities would arrest Mr. Daniloff, a Moscow correspondent for U.S. News and World Report.

Move to Cut Soviet Presence

Against this background, the Reagan Administration announced that it would expel the 25 United Nations diplomats in New York City. Six months earlier, President Reagan had said he was cutting the Soviet, Ukrainian and Byelorussian missions from 275 to 170 over three years. Administration officials said the State Department had opposed this move, and when it became clear that it had lost the internal battle, successfully pushed for a longer, three-year period for implementation.

The first round of reductions was scheduled for Oct. 1 with the Soviet Union given an opportunity to choose who would leave. The Soviet Union refused, and after its chief delegate to the United Nations called the reductions illegal, the Reagan Administration responded by announcing that it would expel 25 diplomats of its own choosing. The list was prepared by the F.B.I., although officials said some of the names were later changed by the State Department.

The issue took on greater importance in negotiations over the release of Mr. Daniloff. Mr. Shultz said he was pressed by Mr. Shevardnadze to allow some change in the expulsion order. Mr. Shultz eventually agreed to the two-week delay, and officials said he pushed within the Administration to allow several of those on the list to remain permanently.

Last week, the Senate passed a measure, sponsored by Senators Leahy and Cohen, that puts into law the Administration's plans to cut the number of diplomats at the Soviet mission at the United Nations from 275 to 170.

The United States has about 200 diplomats in its embassy and consulates in the Soviet Union, and it hires local labor as drivers or janitors. The Soviet Union has 320 people with diplomatic status at its embassy and consulates in the United States, but hires virtually no Americans.

In the summer of 1985, the Senators succeeded in obtaining passage of a different bill requiring equivalence in the number of Soviet diplomats in the United States and American diplomats in the Soviet Union.

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